

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 N Park, Rm 201**  
**Helena MT 59620**

**Board Legislative Committee Minutes**  
**Tuesday, February 3, 2009**  
**1:30 pm**

Committee Members: Ray Peck, Chair  
John Paull (via telephone)  
Terry Smith (via telephone)

Staff: Roxanne Minnehan, Kim Flatow, Ursula Hatfield, Barbara Quinn and Kathy Samson, MPERA staff.

Other Attendees: No public present

**Approval of Legislative Committee Meeting Minutes**

The minutes of the open meeting of January 27, 2009 were presented.

Motion: Mr. Terry Smith moved to approve the minutes of the January 27, 2009 PERB Legislative Committee Meeting.

Second: Mr. John Paull

No public comment.

Vote: 3/0

**Public Comment** – No public comment.

**Executive Director's Report**

**Board Legislation – Status/Sponsors**

**HB12 Working Retiree Bill**

No House State Administrative Committee action has been taken since Mr. Miller's meeting with Rep. Bean and Rep. Wilmer. Sheri Hefflefinger left a message for Mr. Miller needing clarification on the amendment. Staff would like the bill to go through as is, without the amendment; however, if it will pass, the compromise is worth it. The Legislative Committee feels compromise is necessary and support the amendment.

#### **HB109 General Revisions Bill**

It passed third reading on the House floor with a 66/32 vote.

#### **HB170 Qualification Bill**

Executive action has been taken on Tuesday, February 3. An amendment was added reflecting the federal Heart Act. HB170 passed out of the House State Administrative Committee with a 17/1 vote with Rep. Boniek voting nay.

#### **Review of Introduced Bills**

##### **HB266**

HB266 eliminates member contribution requirements for DROP participants of MPORS. This bill is sponsored by Representative Galen Hollenbaugh. The bill was heard before the House State Administrative Committee Friday, January 30. Ms. Minnehan informed the House State Administrative Committee the officers in DROP did pay contributions but also received a large lump-sum benefit. It was also pointed out that DROP is optional. Pam Bucy, MPPA's lobbyists, several policemen and Mr. Tom Schneider testified as proponents. Mr. David Ewer testified as an opponent.

##### **HB393 (LC1018)**

This bill will extend the City of Dillon's time to pay liabilities after joining police retirement system. HB393 hearing is scheduled before the House State Administrative Committee Wednesday, February 4. The actuary reviewed this bill to determine the cost. The actuary pointed out several technical issues that needed to be addressed before an actuarial impact statement could be completed. The bill speaks of transferring the members over with the same payout they are currently getting. The retirees would get their current benefits but include the GABA. The bill is silent on inactives. The Dillon members pay 6%, the employer pays 11%. In MPORS the member pays 9%, with the employer paying 14.41%. The Committee felt a contingency clause should be included if Dillon is unable to obtain the necessary funds.

#### **Senate Bills**

### **SB295**

SB295 allows legislators to retire from public employment while serving in the Legislature. This bill had its hearing before the Business, Labor and Economic Affairs Committee, Tuesday, February 3. The Pension Protection Act (PPA) allows in-service distributions if normal retirement age is attained. PERB did not opt to implement this optional provision. One issue is we do not have normal retirement age defined in our statute. Mr. Miller and Ms. Symons spoke with ICE Miller and they stated if we had an age referenced in the bill the IRS would look favorably upon the bill. The IRS commonly recognized normal retirement age is 62 for non-public safety systems, and 50 for public safety systems. An amendment was added that stated "at normal retirement age" but did not define it. This is also needed in SRS and FURS. Sen. Keane added the defined retirement age to the amendment, but staff had not had the opportunity to review. Another issue is working retirees this bill is indirect conflict with the Board's bill, HB 12. There is still a concern about singling out a particular demographic, and opening the door to leapfrogging.

Motion: Mr. John Paull moved to continue opposition of SB295, including the amendment.

Second: Mr. Ray Peck

No public comment.

Vote: 3/0

### **SR2**

Senate Resolution No. 2 is the bill where the Senate confirms the Governor's board appointees. Section 34, page 6, lines 19 through 22 are confirming appointments for Dianna Porter, Darcy Halpin and Loren Bough. Mr. Peck is not on the list. There have been no response to attempts by Ms. Minnehan to find out what is happening. During the meeting, mail was received. The new appointment is Timm Twardoski, AFSCME Executive Director, effective immediately.

### **Review List of Un-introduced Bills**

An updated listing of introduced and un-introduced retirement bill requests was provided.

### **LC1534**

LC1534 is a Sudan divestment act. In the past we have opposed divestitures. Staff wants the Board to invest in what would give the best return.

### **LC1877**

LC1877 adjusts the early retirement age; Rep. Joe Bayleat is the sponsor.

### **LC2126**

This bill would revise state retirement policy and law. Representative Don Roberts is the sponsor. Representative Wayne Stahl wants to reform state retirement by having all new employees elect DC only. Ms. Minnehan and Ms. Flatow spoke with Rep. Roberts. He stated he was not on board with a DC only system. He may use this placeholder bill to study the Teachers Retirement System. They are looking into getting funds for the study.

### **Actuary Study Concerning Funding for Legislation**

A funding solution letter has been drafted and mailed Friday, January 30.

### **Other Potential Legislation**

Ms. Flatow has been approached to be an informative witness for HB272. HB272 revises costs related to county sheriff's office; Rep. Jesse O'Hara is the sponsor. This bill addresses the authorization payment to a detention officer who is injured in the performance of duties. This would allow the detention officer to get the remainder of salary from the employer not paid by workers compensation. This bill was tabled. The firefighters testified in favor of this bill. MACO is in opposition of HB272.

Motion: Mr. John Paull moved to allow Ms. Flatow be an informative witness for HB272.

Second: Mr. Terry Smith

No public comment.

Vote: 3/0

### **Board Legislative Committee Meeting Schedule**

Weekly meetings are scheduled each Tuesday at 1:30 pm through the legislative session at 100 N Park Ave, Helena, MT 59620.

Mr. Paull informed Committee members and staff he will be at the Board of Investment meeting Tuesday, February 10; therefore, will not be available for the next meeting.

**Meeting adjourned 2:30 pm by Mr. Ray Peck, Chairman.**